

AFFIDAVIT

STATE OF WISCONSIN)
) ss.
DANE COUNTY)

I, Dorinda M. Freymiller, having been duly sworn, depose and state as follows:

1. I am employed as a Special Agent with the State of Wisconsin, Department of Justice, Division of Criminal Investigation, Madison, Wisconsin, and have been employed in that capacity since 1994. I have attended several trainings regarding financial crime investigations and have instructed hundreds of students on how to conduct criminal financial crime investigations. I have led numerous investigations which were then prosecuted in either the State or Federal court system. I also have training and experience in several other areas such as computer crimes.

2. The information contained in this affidavit is based primarily on information I learned during the course of my investigation into the alleged criminal behavior of the Ahmad Kanan. I have also reviewed reports from this investigation prepared by other law enforcement officers including agents from the United States Department of Homeland Security. As the reports were prepared by other law enforcement officers during the course of their official duties, I believe them to be reliable.

SUMMARY

3. The purpose of this affidavit is to provide information to show that there is probable cause to believe that Ahmad Kanan committed access device fraud and attempted to commit access device fraud in violation of 18 U.S.C. §§ 1029(a)(2) & (b)(1). He did so by using the Embassy of Libya-Military Attache's bank account information

(without permission) to pay the sales and use taxes and to attempt to pay the electric bill of a gas station he owned (through his wife).

4. On September 18, 2019, at approximately 8:45 p.m. case agents learned that Ahmad Kanan was booked on a one-way flight from Chicago to Dubai, United Arab Emirates leaving on September 21, 2019.

BACKGROUND

5. Ahmad Kanan and his wife Ghufran Kanan live in Madison, Wisconsin. Ahmad was born in Egypt, but naturalized as a United States citizen on January 31, 2000.

6. Ghufran owns 52% of Kanaan Petroleum Group, Inc. ("Kanaan Group"). The remaining shares are owned by two individuals who reside in Massachusetts. Kanaan Group owns a British Petroleum gas station located in Janesville, Wisconsin.

7. Ghufran owns 80% of Petro Madison, Inc. The remaining shares are owned by two individuals who reside in Massachusetts. Petro Madison, Inc. owns a Clark gas station in Janesville, Wisconsin. This gas station has an attached office where Ahmad runs the business of both gas stations.

8. The Embassy of Libya-Military Attaché bank account was funded solely by the Libyan government and is used to fund educational expenses for Libyan students furthering their education in the United States. Individuals from the Embassy of Libya issue checks for tuition and school fees directly to educational institutions. They also issue monthly stipends to students. At no point did anyone authorize a payment related to Ahmad's gas stations.

9. Businesses and third-party preparers in Wisconsin can register and use a

web-based portal called My Tax Account to pay Sales and Use taxes to the Wisconsin Department of Revenue ("DOR"). In order to make a direct-deposit payment through the website, a user could simply enter the routing and account number on the website and process the payment. A name or business associated with the account was not needed.

ACCESS DEVICE FRAUD AND ATTEMPTED ACCESS DEVICE FRAUD

A. July 21, 2017 DOR Payment

10. On November 15, 2014, Kanaan Group opened a Wisconsin DOR My Tax Account under Ghufuran Kanan's name with the username Kpetro. On June 15, 2017, the Wisconsin DOR emailed Ghufuran about her account and she forwarded the email (on June 21, 2017) to Ahmad, stating "please take care of this."

11. On July 21, 2017, username Kpetro caused an unauthorized payment for \$83,783.41 from the Libyan Military Attaché account to pay the sales tax, penalties, and interest owed by Kanaan Group. The payment was processed, and credited to the account. Kpetro logged into the website at 12:04:06 a.m. from IP address 66.188.117.29. IP address 66.188.117.29 was assigned to the Clark Gas station.

12. At the following dates/times, Ghufuran's cell phone pinged off a cell tower near the Kanan residence in Madison while Ahmad's pinged off a cell tower close to the Clark Gas station in Janesville:

- July 20, 2017 at 10:59:04 p.m.
- July 21, 2017 at 2:40:28 a.m.

13. On December 20, 2018, case agents executed search warrants at the Kanan's residence and their businesses. At the Kanan residence, case agents seized an iPhone that was labeled Ahmed's iPhone. They then discovered a picture of a final notice of a payment due to Fiserv that contains metadata, which shows that the picture was taken on July 21, 2017, at 12:10:19 a.m. at the Clark Gas station. Another picture was taken of the same notice 16 seconds later also from the Clark Gas station.

14. Case agents also recovered a different iPhone labeled as Ahmed's iPhone that had a picture of two checks from the Embassy of Libya Military Attaché Account. As all checks do, this check contained the account number and routing number. A Lenovo laptop that agents seized also contained these check images.¹

15. On December 20, 2018, case agents interviewed Ahmad, who stated that only he and his employees Kim and Will have access to the computer at the Clark gas station, but neither Kim nor Will have used it to make payment towards taxes.

16. On the same day, case agents also interviewed Ghufraan who stated that she did not use the computer located at the Clark Gas station and did not have knowledge of sales and use tax or how to file these reports with the State of Wisconsin.

B. December 21, 2017, DOR Payment

17. On December 21, 2017, at 8:16 p.m. username Kpetro logged into the MTA account for Kanaan Group and paid \$108,053.02 from the Libyan Embassy Military Attaché account for sales and use tax even though the balance was only \$87,875.14. The

¹ This paragraph and the two following paragraphs provide evidence that corroborates all three payments.

payment was processed, and credited to the account. Kpetro made this payment from IP address 66.188.117.29.

18. On December 21, 2017, from 3:10 to 3:24 p.m. the Kanaan Group U.S. Bank bank account was electronically accessed from IP address 66.188.117.29. The account balance that day was \$6,994.97.

C. December 21, 2017, Payment

19. Kanan Petroleum, Inc.'s Alliant Energy account was established on January 16, 2014. The customer name associated with this account is Ahmed Kanan. On December 21, 2017, Kanaan Group's Alliant Energy bill of \$35,370 was paid in full from the Libyan Embassy Military Attaché account. The payment was processed, but never credited to the account. This payment, and several previous payments on Kanaan Group accounts, were made from IP address 66.188.117.29.

20. On December 21, 2017, from 3:10 to 3:24 p.m. the Kanaan Group U.S. Bank bank account was electronically accessed from IP address 66.188.117.29. The account balance that day was \$6,994.97.

21. On December 20, 2018, case agents interviewed Ahmad and he indicated that he was the only individual who had access to the Alliant Energy online bill payment system.

D. Facts Relevant to All Counts

(1) *Financial Motive*

22. Case agents identified two bank accounts for the Kanaan Group: the account at U.S. Bank had an ending balance of \$13,682.34 in July 2017 and \$3,062.30 in December 2017. The account at First National Bank & Trust account had an ending balance of \$1,954.49 in July 2017 and \$4,802.03 in December 2017.

23. Gas station employees indicated during interviews that vendors were constantly attempting to locate “Adam” *aka* Ahmad due to outstanding bills.

(2) *Attempted Destruction of Electronic Evidence*

24. On December 20, 2018, at 2:50:15 p.m. (the same day the search warrants were executed) “Username akanan@yahoo.com initiated a wipe on device Ahmed’s iPhone” In other words, username akanan@yahoo.com tried to remotely wipe Ahmed’s iPhone after it was taken in the search warrant.

(3) *Ahmad, not Ghufuran ran the businesses; only Ahmad had access to the Clark gas station computer.*

25. Case agents have interviewed employees of the gas station and they describe Ahmad as the owner of the gas station and noted that his wife worked at the gas station periodically. They stated that Ahmad completed day-to-day business operations, and he was the only person with access to the computer at the Clark gas station.

26. On March 8, 2017, customer service logs show that Ahmad Kanan (not Ghufuran) contacted Wisconsin DOR regarding his lottery license being revoked due to owing back-taxes. On April 16, 2018, Ahmad Kanan (not Ghufuran) contacted DOR regarding missing sales tax filings.

(4) *Interstate Nexus*

27. According to Bank of America, the servers that were used to process the transfer of money from Libyan Embassy Military Attaché account were located in Texas.

RELEVANT STATUTES

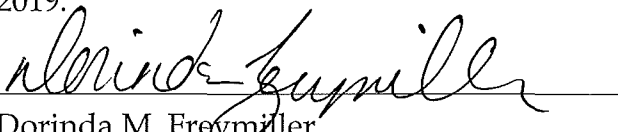
28. 18 U.S.C. § 1029(a)(2) makes it a crime to “knowingly and with intent to defraud traffic in or use one or more unauthorized access devices during any one-year period, and by such conduct obtains anything of value aggregating \$1,000 or more during that period;”

29. 18 U.S.C. § 1029(b)(1) states “[w]hoever attempts to commit an offense under subsection (a) of this section shall be subject to the same penalties as those prescribed for the offense attempted.”

30. 18 U.S.C. § 1029(e)(1) defines access device as “any card, plate, code, account number . . . that can be used, alone or in conjunction with another access device, to obtain money, goods, service, or any other thing of value, or that can be used to initiate a transfer of funds (other than a transfer originating solely by paper instrument).”

31. 18 U.S.C. § 1029(e)(3) defines unauthorized access device as “any access device that is lost, stolen, expired, revoked, canceled, or obtained with intent to defraud.”

Dated this 19th day of September 2019.


Dorinda M. Freymiller

State of Wisconsin, Department of Justice,
Division of Criminal Investigation

Sworn to before me this 19th day of September 2019.

